

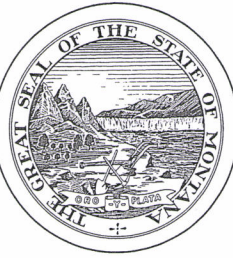
COMMISSIONER OF
POLITICAL PRACTICES

SENATE FINANCE & CLAIMS

Exhibit No. 1

Date 3-30-15

Bill No. HB 2



STATE OF MONTANA

JONATHAN R. MOTL
COMMISSIONER
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March 30, 2015

Honorable Llew Jones
Chairperson, Senate
Finance and Claims Committee
Bob Keenan – Vice Chair

Members

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John Brenden
Mary Caferro
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Kristen Hansen
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Re: House Bill 2

Dear Senator Jones and members of the Committee:

I speak in opposition to certain reductions or restrictions made to the COPP's proposed budget by the House Appropriations Committee.

The COPP proposed a budget of approximately \$680,000 per fiscal year. That COPP's proposed budget funded two primary COPP programs: those being: 1) Transparency or public availability of campaign finance reports; and, 2) Identification/enforcement of campaign practice violations.

The COPP's transparency work includes all actions necessary to accept and post campaign finance reports for public review by the press, public and opposing candidates. In 2014 this "transparency" work involved accepting, handling, posting and inspecting approximately 4,000 campaign finance reports. There are four COPP staff (4 FTE total) who perform this transparency work, along with providing assistance to candidates who have questions with report filing and handling Office and website administration.

The COPP enforcement action is primarily carried out by three staff consisting of the FTE investigator, the FTE Commissioner and an OTO in-house legal counsel. In 2014 there were 81 new campaign finance complaints filed with the COPP. COPP 2014 enforcement work included investigation, consideration and writing of 121 administrative (sufficiency) Decisions resolving 142 campaign practice complaints (the 2014 complaints plus backlogged complaints) filed by Montanans with the COPP. In addition the COPP issued 18 formal advisory opinions and reached 24 settlement agreements (resolving sufficiency Decisions) with opposing parties. Still further, the COPP filed 14 enforcement actions in state district courts.

With the above in mind, the budget reductions made by House Appropriations significantly impact the function of the COPP. First, the House Appropriations work removed the COPP attorney position (reducing COPP staff size to 6) and substituted \$85,000 for contracted legal services through the Department of Justice. At \$105 per hour that amount buys 850 hours of legal services as opposed to approximately 2000 hours from the current dedicated COPP legal counsel position. The amount of COPP enforcement activity remaining, including settlement and litigation, cannot be accomplished with 850 hours of legal services.¹ I have attached the House floor amendment (it failed to pass) that would have restored use of the \$85,000 in funding for the COPP staff attorney position, rather than for contracted legal services.

Second, the House Appropriations committee cut approximately \$40,000 from the COPP's personal services budget, doing so with the explanation that it was only funding the current Commissioner's salary at a lower level formerly paid Commissioner Murry. Consistent with a lawyer-as-commissioner approach, the current Commissioner's salary was set at \$71,828 per year by the Governor. The Governor reached that amount based on the DOA's pay band 7 classification of the Commissioner's position. In turn the DOA's pay

¹ At this time there are 49 sufficiency Decisions awaiting settlement or litigation work by the COPP attorney.

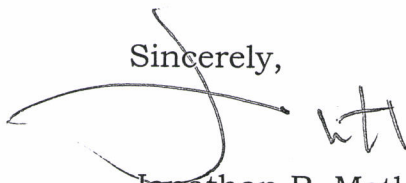
band specifically classified the Commissioner under an "attorney" pay band 7 approach.

While a pay band 7 classification does allow a base salary down to \$40,315 for non-lawyer positions, the band 7 market rate for lawyers is \$90,930, with the minimum lawyer pay amount set at \$71,016. Accordingly, the Governor, directed by statute to set the Commissioner's salary "within the pay band", did so at \$71,686, an amount at the lowest end of the attorney band 7 pay scale, all as directed or allowed by §13-37-106 MCA.

Because the current Commissioner's salary is set by the Governor following statutorily imposed directions, the House Appropriations action amounts to a reduction in the personal services portion of the COPP budget. The COPP staff is small overall in size and therefore there is no cushion that can absorb the \$40,000 cut such that some staff reduction will be caused. Because COPP staff are modestly paid, the \$40,000 staff reduction will be significant. Again, I have attached the House floor amendment (it failed to pass) that would have restored the deleted portion of the COPP personal services budget.

I urge this Committee to reject the reductions and restore the budget as proposed by the COPP.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Motl", with a large, sweeping loop on the left side.

Jonathan R. Motl
Commissioner of Political Practices

Mr. Chairman:

I move to amend **House Bill 2** (second reading copy -- yellow).

Signed: _____
Representative Pat Noonan

And, that such amendments to **House Bill 2** (second reading copy -- yellow) read as follows:

1. Page A-2.

Strike: line 19 in its entirety

Insert: "642,573 644,974" [General Fund FY16 & FY 17]

Strike: line 22 through line 23 in their entirety

Strike: line 27 in its entirety

- END -

Explanation - This amendment provides personal services of \$83,149 in FY 2016 and \$82,932 in FY 2017 for a staff attorney within the Commissioner of Political Practices and eliminates \$85,000 each year of the biennium for contracted legal services through the Department of Justice. The net impact of the adjustment is a reduction in general fund of \$1,851 in FY 2016 and \$2,068 in FY 2017.

3/10/16
Forced

Mr. Chairman:

I move to amend **House Bill 2** (second reading copy -- yellow).

Signed: _____

Representative Pat Noonan

And, that such amendments to **House Bill 2** (second reading copy -- yellow) read as follows:

1. Page A-2.

Strike: line 19 in its entirety

Insert: "580,189 581,140" [General Fund FY16 & FY17]

- END -

Explanation - This amendment increase personal services within the Commissioner of Political Practices by \$20,765 in FY 2016 and \$19,098 in FY 2017. The funding could be available for employee salaries including the Commissioner of Political Practices.

3/18/15
Pat Noonan